

VZCZCXR06871
OO RUEHBI RUEHCI
DE RUEHKT #0743 1830210
ZNR UUUUU ZZH
O 010210Z JUL 08
FM AMEMBASSY KATHMANDU
TO RUEHC/SECSTATE WASHDC IMMEDIATE 8770
INFO RUEHB/AMEMBASSY BEIJING PRIORITY 6560
RUEHLM/AMEMBASSY COLOMBO PRIORITY 6871
RUEHKA/AMEMBASSY DHAKA PRIORITY 2168
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 4911
RUEHLO/AMEMBASSY LONDON PRIORITY 6116
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 2503
RUEHSA/AMEMBASSY PRETORIA PRIORITY 0171
RUEHCI/AMCONSUL KOLKATA PRIORITY 4246
RUEHBI/AMCONSUL MUMBAI PRIORITY 3922
RUEATRS/DEPT OF TREASURY WASHINGTON DC PRIORITY
RHMFIU/CDR USPACOM HONOLULU HI PRIORITY
RUEAAIA/CIA WASHDC PRIORITY
RHEFDIA/DIA WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 3256

UNCLAS KATHMANDU 000743

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: PGOV PTER PREL EFIN KTFN NP

SUBJECT: NEPAL/TERRORISM FINANCE: NEW FINANCIAL INFORMATION
UNIT TO INCREASE ENGAGEMENT IN DESIGNATIONS

REF: A. STATE 68510
1B. STATE 65511
1C. STATE 65133
1D. STATE 62052
1E. STATE 61363

11. (SBU) On June 26, K. B. Manandhar, the Acting Governor of Nepal's central bank, the Nepal Rastra Bank (NRB), told Emboffs that the NRB's Financial Information Unit (FIU) would be the focal point for engaging with post on terrorism finance issues. The Government of Nepal in April 2008 first stood up the FIU, created as part of the Anti-Money Laundering Act in January 2008. Emboff gave Manandhar the identifying and background information for the U.S. domestic designation of Venezuela-based Hezbollah terrorist financiers and two UN-listed Islamic Jihad Union leaders (Ref A), the U.S. domestic designation of the Kuwait-based Revival of Islamic Heritage Society (Ref B), the 1267 Sanctions Committee designation of the Philippines-based Rajah Solaiman Movement and eight of its members (Ref C), the U.S. domestic designation of Gulf-based al-Qa ida financiers (Ref D), and the U.S. domestic designation of four Laskhar-e-Tayyiba operatives (Ref E). Emboff highlighted Refs B and E as having South Asia regional interest to Nepal. (Note: Emboff previously had conveyed the terrorist designations to an Under Secretary in the UN and International Organizations division at the Foreign Ministry to pass to the relevant authorities. End note.)

Comment

12. (SBU) Post believes that the creation of the FIU and the Acting Governor's enthusiasm to establish a formal terrorism finance liaison will enhance Nepal's cooperation with the U.S. on these issues. While few of the designated individuals and entities likely hold assets or undertake financial and commercial transactions in Nepal, open communication with the NRB will increase the likelihood that any such cases will be discovered and the assets frozen.

POWELL